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1. Since the summer of 1951, rumors have been circulating that a monetary reform was to be instituted in Czechoslovakia. As of January 1952 many new measures were to go into effect, including increased food rationing, higher prices and lower wages. However, the strikes and demonstrations which followed the announcement that Christmas bonuses would be discontinued created such a tense situation that it is considered unlikely that the reform will be carried out before spring of 1952. To date there has been no change in rationing, although there is an increasing scarcity of all goods on the free market. The morale of the population is generally low.
2. About 100,000 men have been transferred from office jobs to work in mines, foundries and construction projects since July 1951. Further similar "voluntary" changes in labor are planned.
3. Bruno Koehler, former member of the Party Central Committee and Bedrich Geminder are no longer at Party headquarters. It is believed that both have been arrested. Gottwald has reportedly handled these two cases personally. His closest collaborators are Josef Frank, Secretary to the Party Central Committee and Novotny.*
4. The decision concerning Rudolf Slansky was reportedly made outside Czechoslovakia. Every move seems to depend on the decisions of Anatol Lavrentiev, the Soviet ambassador in Prague.
5. Nothing definite is known about the fates of Clementis, Sling, Svermova, Gerard London and Dr. Hajdu. Even Zapotocky's position is no longer clear.
6. General Ludwig Svoboda, former Vice Prime Minister and Minister of National Defense reportedly committed suicide in jail. Evzen Erban, former Minister of Labor and Social Welfare, is known to be doing forced manual labor. Col. Otto Vacek, an intelligence officer in G-2 prior to his arrest, is now free and is working under most disagreeable conditions near Prague.

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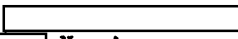
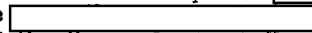

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7. During November 1951, rumors were circulated concerning an attempt on the life of General Bohumil Lastovicka. Actually it was General Hanus whose life was threatened. Hanus, however, has escaped.

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- *  Comment: Josef Frank has been reported  to have been purged or arrested. See  Novotny may refer to Antonin Novotny, Chairman of the Prague Regional National Committee of the KSC. See 

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